

Message Text

SECRET

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11

ACTION NEA-06

INFO OCT-01 SS-14 ISO-00 EA-13 NSC-07 NSCE-00 CIAE-00

INR-10 NSAE-00 RSC-01 SSO-00 INRE-00 EUR-10 TRSE-00

FEA-01 PRS-01 CIEP-01 OMB-01 EB-03 L-02 COME-00 SP-01

SCI-03 DRC-01 /076 W

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O R 300842Z MAY 74

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC IMMEDIATE 9751

AMEMBASSY TOKYO IMMEDIATE

INFO AMEMBASSY JIDDA IMMEDIATE

USMISSION OECD PARIS

AMEMBASSY LONDON

AMEMBASSY TEHRAN

S E C R E T KUWAIT 2174

LIMDIS

STATE ALSO FOR TIEP

E.O. 11652: GDS

TAGS: ENRG KU JA

SUBJECT: JAPANESE BREAKING OIL PRICE BARRIER?

REF: KUWAIT 2154

1. UK EMBOFF TOLD EMBOFF HE WAS TOLD BY SENIOR KUWAIT MINISTRY FINANCE AND OIL OFFICIAL THAT GOK HAS RECEIVED OFFERS FOR KUWAIT CRUDE ABOVE 93 PERCENT POSTED PRICE. UK EMBOFF SAID HIS IMPRESSION WAS THAT JAPANESE WERE OFFERING 97 PERCENT POSTED PRICE WHICH WOULD BE \$11.20 PER BARREL KUWAIT 31 DEGREE API CRUDE.

2. UK EMBOFF STRESSED THAT INFO WAS ONLY A RUMOR RPT A RUMOR AND NEITHER HE NOR WE HAVE ANY OTHER CORROBORATING INFO.

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WE BOTH THINK THERE GOOK CHANCE KUWAITIS TRYING GIVE IMPRESSION

THEY HAVE PLENTY OF OFFERS FOR THEIR PARTICIPATION CRUDE AND THEREFORE NO NEED FOR THEM ACCEPT LOWER PRICES OFFERED BY GULF AND BP. IN ADDITION RECENT RECORD OF JAPANESE HERE AND IN OMAN HAS BEEN TO RESIST UPPING PRICE. NONETHELESS, ONE CAN CONCEIVE OF JAPANESE BECOMING INCREASINGLY NERVOUS OVER SECURITY OF SUPPLY. WE WONDER WHETHER, SAY, MITI MIGHT HAVE MOVED QUICKLY TAKE ADVANTAGE NEWLY AVAILABLE KUWAITI PARTICIPATION CRUDE (SEE REFTTEL) WITHOUT FULL AUTHORIZATION OF GOJ.

3. ACTION REQUESTED: WOULD BE INTERESTED IN ANY ADDITIONAL INFO OR COMMENTS ADDRESSEES MAY BE ABLE PROVIDE. WE THINK IT MORE LIKELY THAT AUTHORITATIVE INFO AVAILABLE OUTSIDE KUWAIT THAN HERE SINCE IT UNLIKELY USUAL GOK OR KOC CONTACTS WOULD BE WILLING EVEN IF ABLE SPEAK CANDIDLY DURING PRESENT SITUATION IN AFTERMATH APPARENT BREAKDOWN BUY-BACK NEGOTIATIONS.
MCCLELLAND

SECRET

NNN

Message Attributes

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Disposition Case Number: n/a
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30 JUN 2005

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